

The Influence of Promotion, Price, Service Quality on Customer Satisfaction and Repurchase Decisions at Alfamart and Indomaret (Study at Alfamart and Indomaret in Banjar City)

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ABSTRACT

This study uses 3 independent variables of promotion, price, and service quality, while the dependent variable is customer satisfaction and repurchase decisions. The sample of respondents consisted of 100 respondents, the sample was selected using survey and explanatory survey methods. The data analysis technique uses Smart PLS software version 2.0.m. From the research results it is known that customer satisfaction and repurchase decisions have a value of 0.422. Thus it can be seen that the variable customer satisfaction and repurchase decisions contribute to the promotion, price and service quality variables by 42%, while the remaining 58% is the contribution of other variables. The t test results show that promotion, service quality and repurchase decisions have a significant effect on customer satisfaction. Meanwhile, the price variable on customer satisfaction has no significant effect. The results of the F test indicate that there is an effect of promotion, price, service quality on customer satisfaction and repurchase decisions have a significant effect at Alfamart and Indomaret Kota Banjar.

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1. INTRODUCTION

Business activities such as mini markets have become an interesting phenomenon and attention. The available minimarkets are made in such a way as to provide consumer appeal such as the creation of neatly arranged shelves, a very large variety of products, practical payments with the cashier system, air-conditioned rooms, not stuffy, very competitive prices are some of the things that describe the existence of mini markets. So, it is not surprising that people immediately fell in love with this store model. On the other hand, conventional grocery merchants also have to swallow the bitter pill of this reality. Along with the development of the economy which is currently experiencing quite rapid growth, investment is now one of the alternatives made by someone to get future profits (Siregar et al., 2021). Investment is the commitment of a number of funds or other resources made at this time, with the aim of obtaining future profits. A popular investment medium in Indonesia is the capital market, which is a meeting place for parties who have excess funds with parties who need funds by trading securities, while the place where securities trading occurs is called the Indonesia Stock Exchange.

Along with the development of the business world in Indonesia, the existence of traditional markets has begun to be rivaled or even displaced by modern retail businesses (Faisal Lutfi & Cahyo Diartho, 2020). Traditional markets have begun to be rivaled or even displaced by modern retail businesses. Retail businesses or usually called retail traders, are increasingly felt in people's daily lives. Various kinds of retail shopping centres have sprung up in various shapes and sizes. Some examples of retail shopping centres include Minimarket, Supermarket, and Hypermarket. Minimarket models such as Alfamart and Indomaret that have mushroomed offer various interesting things and were chosen to be used as research material.

In facing the demands of the community, it is very necessary for Alfamart and Indomaret to carry out a marketing strategy which is a comprehensive, integrated and unified plan in the marketing field that provides guidance on activities to be carried out to achieve product marketing objectives (Afif Imam Dzaky Saidi et al., 2022). One element in the marketing strategy is promotion, which is a strategy carried out by the company, related to determining how the company presents product offerings to certain market segments, which are its target market. Products offered at Alfamart and Indomaret with varied and competitive prices are expected to be able to provide attractiveness to consumers so that there are repeat purchase decisions from consumers who have experienced previously purchased products. Price is a very important characteristic in the social sphere and the existence of a product. In addition, the indomart is concerned with the clarity of prices between those listed on the display and the cashier being one of the factors that also determines the attractiveness of buyers.

Service quality can be interpreted as service is an effort provided by a company in order to meet consumer needs to achieve satisfaction (Andjarwati & Chusniartiningsih, 2018). Meanwhile, what is meant by service according to Fandy Tjiptono is an attitude or way of serving customers so that customers get satisfaction which includes speed, accuracy, friendliness and comfort (Herawaty et al., 2022). Consumer satisfaction can be sought if consumers feel that all their needs are met and get service that consumers feel is good enough.

Companies that are already observant in seeing market competition, will not look at sales and the amount of profit alone. However, they also invest themselves in the long term, therefore the company provides good service, provides the most affordable prices and promotions in a big way so that consumers can make repeat purchases at Alfamart and Indomaret. The products offered are of various types and provide attractiveness, causing the desire to make repeat purchases to increase, so with an increasing number of people making purchases with various different goals and interests, the desire for consumer repurchases is increasing, so that if the service is good, consumers will feel satisfied.

Its relationship with customer satisfaction, among others; the quality of the products used by consumers, the quality of service (Permana, 2013). Service quality where consumers are satisfied with the service provided, emotional, affordable prices, the costs incurred are not much with the products obtained according to the desired needs and expectations. Indomaret as a shopping centre that provides various types of products is required to pay attention to promotions, prices, service quality and customer satisfaction who have made purchases so that consumers always make decisions to repurchase to Indomaret, and besides that it is important for Indomaret to face competitiveness with other types of markets.

The above is the basis for taking research on product repurchase decisions at Alfamart and Indomaret which discuss four variables, namely promotion, price, service quality, and customer satisfaction which are felt to be still not optimal with the title "The Effect of Promotion, Price, Service Quality on Customer Satisfaction and Repurchase Decisions at Alfamart and Indomaret (Studies at Alfamart and Indomaret in Banjar City).

2. RESEARCH METHOD

This study was conducted to obtain an overview of the effect of promotion, price, service quality on customer satisfaction and repurchase decisions at Alfamart and Indomaret (Study at Alfamart and Indomaret Franchises in Banjar City) through hypothesis testing. The research was conducted for consumers who purchase products at Alfamart and Indomaret.

Given the nature of this research is descriptive and verative which is carried out through field data collection, the research method used is the survey and explanatory survey method, which is a method that not only looks at the general description of the variables or the relationship between variables, but also to see if there is an influence between variables and the extent to which that influence exists.

Research is basically carried out to show the truth and problem solving for what is being studied to achieve these goals, an appropriate and relevant method is carried out for the purpose under study. (Afrizal, 2017) explains that "research methods are defined as scientific ways to obtain data with specific purposes and uses". The method used in this research is quantitative method with explanatory design.

Research Variable

In this study, the authors used 2 types of variables, namely the independent variable (X) and the dependent variable (Y).

1. Independent Variable (X Variable)

Independent variables are variables (which may) cause, influence or have an effect on the outcome. Free variables are called variables that affect or cause changes or the emergence of dependent variables. According to Sugiyono (2017: 39) "Independent variables are variables that affect or cause changes or the emergence of Dependent variables. The independent variables (X) in this study are Promotion (X1) Price (X2), and Service Quality (X3).

2. Dependent (Variable Y)

Dependent variables are variables that depend on independent variables. This dependent variable is the outcome or result of the influence of the independent variable. Experts argue that according to Sugiyono (2017: 39) "The dependent variable is the variable that is influenced or that becomes the result of the independent variable". Related variables can be called Variable Y in research because these related variables will be influenced by the independent variables in the study. The dependent variables in this study are customer satisfaction (Y) and repurchase decisions (Z).

Data Source

This research requires secondary data and primary data. Secondary data sources are data obtained from documentation or reports available at Alfamart and Indomaret in Banjar City and other relevant literature sources. Primary data in the form of promotion, price, service quality, and customer satisfaction and repurchase decisions obtained from empirical research on alfamart and indomaret consumers in Banjar City.

Data collection techniques as part of the research phase determine the success of the research and are determined by the accuracy during field implementation, observation, analysis, and the completeness of the notes (filed notes) compiled. Data collection was conducted by means of library research and field research. While the method of determining the respondents used in this study is probability sampling or sampling which provides equal opportunities for each element (member) of the population to be selected as a member of the sample.

In this study, to maintain the validity and reliability of measurements in this study, sampling was taken, namely 100 people including consumers of Alfamart and Indomaret, each as many as 50 respondents who have made purchases.

3. RESULTS AND DISCUSSIONS

This study uses the questionnaire as a data instrument whose validity and reliability must be tested first, because instruments that are not tested for validity and reliability when used for research will produce data that is difficult to trust the truth, in other words, the validity and reliability test is a measure that shows the level of validity and validity of the research instrument (Syahrums & Salim, 2012).

Validity shows the extent to which the measuring instrument is able to measure what will be measured in a study (Singarimbun, 1995: 124), a valid instrument means that the instrument can be used to measure what should be measured (Sugiyono, 2003: 137). If the instrument is valid, then

the criteria used or the minimum limit of an instrument or questionnaire or test limit is declared valid or considered qualified, if the calculated r coefficient price ≥ 0.30 (Sembiring et al., 2019)

By using valid and reliable instruments in data collection, it is hoped that it will produce valid and reliable research as well, although it does not mean that the results are automatically so because they can still be influenced by the conditions of the object under study.

The measuring instrument test used in this study is **Pearson's Product Moment**

Hypothesis Testing

The relationship between these variables is carried out hypothesis testing which explains that the significance measure of hypothesis support can be used by comparing the T-table and T-statistic values. If the T-statistic is higher than the T-table value, the hypothesis is supported or accepted. In this study, for a confidence level of 95 per cent (alpha 95 per cent), the T-table value for a one tailed hypothesis is > 1.66488 . The PLS (Partial Least Square) analysis used in this study was carried out using the SmartPLS version 2.0.m3 programme.

Coefficient of Determination (R Square)

Based on the results of calculating the coefficient of determination, the value of R Square is 0.587 or $0.587 \times 100 = 58.7\%$. So it can be said that 58.7% of repurchase decisions are influenced by promotion, price, and service quality through customer satisfaction. The remaining 41.3% is influenced by other variables not examined in this study.

Hypothesis Testing

Test t (Partial)

1) T Test Between Promotion (X1) on Repurchase Decisions (Y) through Consumer Satisfaction (Z)

It is known that the hypothesis is "there is an effect of promotion on repurchase decisions through customer satisfaction". Based on the results of the t test (partial) using the formula from Sugiyono (2017), the promotion variable has a t value of 1.862. Because the value of t count $>$ t table ($1.862 > 1.66$), it can be concluded that the hypothesis is accepted, meaning that there is an effect of promotion on repurchase decisions through customer satisfaction. With a path coefficient of 0.297 which shows an effect of 29.7%.

2) T Test Between Price (X2) on Repurchase Decisions (Y) through Customer Satisfaction (Z)

It is known that the hypothesis is "there is an effect of price on repurchase decisions through customer satisfaction" Based on the results of the t test (partial) using the formula from Sugiyono (2017). In the price variable, the t value of the price variable is 0.709. Because the value of t count $<$ t table ($0.709 < 1.66$), it can be concluded that the hypothesis is rejected, meaning that there is no effect of price on repurchase decisions through customer satisfaction and the path coefficient value is 0.180.

3) T Test Between Service Quality (X3) on Repurchase Decisions (Y) through Customer Satisfaction (Z)

It is known that the hypothesis is "there is an effect of Service Quality on repurchase decisions through customer satisfaction" Based on the results of the t test (partial) using the formula from Sugiyono (2017). In the service quality variable, the t value of the price variable is 2.305. Because the value of t count $<$ t table ($2.305 < 1.66$), it can be concluded that the hypothesis is accepted, meaning that there is an effect of service quality on repurchase decisions through customer satisfaction and the path coefficient value is 0.278.

4) T Test Between Customer Satisfaction (Z) and Repurchase Decision (Y)

It is known that the hypothesis is "there is an effect of customer satisfaction on repurchase decisions" Based on the results of the t test (partial) using the formula from Sugiyono (2017). In the consumer satisfaction variable, the t value of the price variable is 6.728. Because the value of t count $<$ t table ($6.728 < 1.66$), it can be concluded that the hypothesis is accepted, meaning that there is an effect of service quality on repurchase decisions through customer satisfaction and the path coefficient value is 0.587, with a large effect of 58.7%.

F Test (Simultaneous)

Based on the results of simultaneous calculations, the calculated F value is 39.410. Then $F_{count} > F_{table}$ ($17.005 > 2.70$). So it can be concluded that the hypothesis is accepted, meaning that there is a simultaneous influence of promotion, price, and service quality on repurchase decisions through customer satisfaction.

Along with the development of the business world in Indonesia, the existence of traditional markets is starting to be rivaled or even traditional markets are starting to be rivaled or even displaced by the existence of modern retail businesses. Retail business or usually called retail traders, is increasingly felt in people's daily lives. Various kinds of retail shopping centres have sprung up in various shapes and sizes. Some examples of retail shopping centres include Minimarket, Supermarket, and Hypermarket. Minimarket models such as Alfamart and Indomaret that have mushroomed offer various interesting things and were chosen to be used as research material.

Based on the results of the t test (partial) using the formula from Sudi Fahmi et al. (2021) the promotion variable has a t value of 1.862. Because the value of $t_{count} > t_{table}$ ($1.862 > 1.66$), it can be concluded that the hypothesis is accepted, meaning that there is an effect of promotion on repurchase decisions through customer satisfaction. With a path coefficient of 0.297 which shows an influence of 29.7%. In the price variable, the t value of the price variable is 0.709. Because the value of $t_{count} < t_{table}$ ($0.709 < 1.66$), it can be concluded that the hypothesis is rejected, meaning that there is no effect of price on repurchase decisions through customer satisfaction and the path coefficient is 0.180. In the service quality variable, the t value of the price variable is 2.305. Because the calculated t value $< t_{table}$ ($2.305 < 1.66$), it can be concluded that the hypothesis is accepted, meaning that there is an effect of service quality on repurchase decisions through customer satisfaction and the path coefficient value is 0.278. In the consumer satisfaction variable, the t value of the price variable is 6.728. Because the value of $t_{count} < t_{table}$ ($6.728 < 1.66$), it can be concluded that the hypothesis is accepted, meaning that there is an effect of service quality on repurchase decisions through customer satisfaction and the path coefficient value is 0.587, with a large effect of 58.7%, and based on the results of simultaneous calculations, the calculated F value is 39.410. Then $F_{count} > F_{table}$ ($17.005 > 2.70$). So it can be concluded that the hypothesis is accepted, meaning that there is a simultaneous influence of promotion, price, and service quality on repurchase decisions through customer satisfaction.

It is also known that based on the results of calculating the coefficient of determination, the value of R Square is 0.587 or $0.587 \times 100 = 58.7\%$. So it can be said that 58.7% of repurchase decisions are influenced by promotion, price, and service quality through customer satisfaction. The remaining 41.3% is influenced by other variables not examined in this study.

4. CONCLUSION

Based on the results of research and discussion that has been carried out to determine the effect of Promotion, price, service quality on customer satisfaction and repurchase decisions at Alfamart and Indomaret (Studies at Indomaret and Alfamart Franchises in Banjar City), the following conclusions can be drawn: Promotion at Alfamart and Indomaret in Banjar City is good and good enough to increase product sales through advertising, distribution of leaflets and brochures, message content of product information delivered, availability of various types of product needs that increase repurchase decisions. Promotion has a significant effect on repurchase decisions through customer satisfaction at Indomaret and Alfamart in Banjar City which results in $t_{count} > t_{table}$ ($1.862 > 1.66$), so that if the promotion is increased it will increase repurchase decisions, with a path coefficient of 0.297 which shows an influence of 29.7. The price offered at Indomaret and Alfamart in Banjar City is good enough between the price and the suitability and quality of the product, the price is relatively affordable and the usefulness of the product purchased. Price does not have a significant effect on repurchase decisions through customer satisfaction at Alfamart and Indomaret in Banjar City, which results in $t_{count} < t_{table}$ ($0.709 < 1.66$) and the path coefficient value is 0.180. Service quality at Alfamart and Indomaret in Banjar City is good and quite good, supported by the ability and skills of Indomaret officers in serving consumers, dexterity and responsiveness of officers, responsiveness to consumer complaints, product information services and product guarantees, thereby increasing repeat purchase decisions. Service quality has a significant effect on repurchase decisions through

customer satisfaction, with the better service of indomaret officers to consumers which results in $t_{hitung} > t_{tabel}$ ($2.305 > 1.66$) with a path coefficient of 0.278.

Customer satisfaction has a significant effect on repurchase decisions which results in $t_{hitung} > t_{tabel}$ ($6.728 > 1.66$) with a path coefficient of 0.587, if high customer satisfaction with product information received is good and clear, prices are relatively cheap and affordable, product quality is quite good, the service provided is considered satisfactory, it will increase the repurchase decision, with a direct influence of 0.587 (58.7%). Consumer satisfaction that influences repurchase decisions at Indomaret better than in Alfamart which is indicated by the value of $t_{count} > t_{table}$ ($4.376 > 1.67$), while in Alfamart $t_{count} > t_{table}$ ($2.763 > 1.67$). Promotion, price, service quality together have a significant influence on customer satisfaction at Alfamart and Indomaret in Banjar City which results in a multiple correlation coefficient ($R_{yx1x2x3}$) ($0.34 > r$ (0.3)). While the path coefficient of the influence of promotion, price, and service quality on repurchase decisions through customer satisfaction at Alfamart and Indomaret in Banjar City is 0.258 (25.8%). Judging from the Differential Test regarding customer satisfaction shows t_{hitung} (3.787) $>$ t_{table} (1.667), meaning that there are differences in customer satisfaction at Indomaret and Alfamart, where it is better at Indomaret regarding service quality, product prices, and the desired product brand is more available in full, while the repurchase decision shows t_{hitung} ($0, 879$) $<$ t_{table} (1.667), this shows that there is no difference in repurchase decisions at Indomaret and Alfamart, where both Indomaret and Alfamart both have similarities in providing products that are easily available to consumers, providing satisfaction to consumers, providing comfort, responsive officers and services. Meanwhile, through the F_{hitung} test there is an influence of promotion, price, service quality, on customer satisfaction and repurchase decisions at Alfamart and Indomaret Kota Banjar, where F_{hitung} (17.005) $>$ F_{tabel} (2.70).

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